

**Preliminary Cost/Benefit Analysis:
Special Regulations for Klondike Gold Rush National Historical Park in Alaska**

This preliminary cost/benefit analysis of special regulations for Klondike Gold Rush National Historical Park in Alaska provides an economic justification for the rulemaking in a statement of need for the proposed action, and a qualitative analysis of the likely costs and benefits of the proposed action. A quantitative cost/benefit analysis was not conducted since the additional cost of that analysis was not considered to be reasonably related to the expected increase in the quantity and/or quality of relevant information. NPS believes that a qualitative analysis provides a sufficient assessment of all relevant costs and benefits associated with this rulemaking.

This analysis indicates positive net benefits for each component of the proposed regulatory action, and therefore for the regulatory action overall. Additionally, this regulatory action is not expected to have an annual economic effect of \$100 million in cost, or to adversely affect an economic sector, productivity, jobs, the environment, or other units of government. This regulatory action is anticipated to improve economic efficiency.

Statement of Need for the Proposed Action

Regulatory action is needed to improve governmental processes in Klondike Gold Rush National Historical Park. This improvement will be achieved by:

- Implementing provisions from the 2014 Dyea Area Plan/Environmental Assessment/Finding of No Significant Impact regarding horses in the Dyea area. The regulation would prohibit all horse traffic from the Dyea Historic Townsite except by special authorization from the superintendent. Non-commercial and commercial horse traffic would have continued access to alternate designated routes outside the Dyea Historic Townsite.

NPS considers this measure necessary to improve public dissemination and understanding of regulatory requirements. A clear understanding of these requirements is anticipated to enhance visitors' use and enjoyment of NPS-administered areas, and to facilitate more effective resource management.

Regulatory action is also needed to more effectively address market failures in these NPS-administered areas. The type of market failure to be addressed is an "externality." An externality occurs when one party's actions impose uncompensated benefits or costs on another. Specifically, the "common property" externality is addressed by this regulatory action. The "common property" externality refers to the protection of cultural and natural resources.

The protection of cultural and natural resources will be more effectively addressed by prohibiting horse traffic from the Dyea Historic Townsite. NPS considers these restrictions necessary for the continued protection of natural resources and irreplaceable cultural landscape features and artifacts.

Qualitative Cost/Benefit Analysis

The following qualitative analysis of the costs and benefits of the proposed regulatory action is presented by relevant sections of 36 CFR Part 13, Subpart Q special regulations for Klondike Gold Rush National Historical Park. The baseline conditions for this rulemaking are first discussed for the proposed regulation as a whole.

Baseline Conditions

The baseline conditions for this rulemaking are the conditions that would occur absent the implementation of the proposed regulation. A number of provisions in this proposed regulation already exist as closures and permit requirements established by the park superintendent under discretionary authority (i.e., park compendium). Without this proposed regulation, NPS would continue to enforce these requirements. These provisions would consolidate existing requirements in NPS regulations together with other related requirements, eliminating the need for the public to consult separate authorities. These provisions would also improve the public's ability to participate in the development of restrictions, authorizations, and other management requirements through the Federal rulemaking process.

Section 13.1408, Dyea

Description: The proposed regulation would implement the 2014 Environmental Assessment/Finding of No Significant Impact regarding the use of horses in the Dyea Historic Town site. The regulation would permanently close the Dyea Historic Town site to horses except by special use permit issued by the Superintendent. Non-commercial horse traffic will continue to be unrestricted outside the Dyea Core Historic Townsite. Commercial horse traffic will continue to be restricted to alternate routes outside the Dyea Core Historic Townsite.

Costs: No significant costs are anticipated as a result of this provision. Absent this proposed regulation, the NPS would continue to use the park compendium to close the Dyea Historic Townsite to horse traffic except by special authorization.

Benefits: The benefits of this provision are anticipated to be positive. This provision would consolidate existing requirements in park compendium with other related requirements in NPS regulations, eliminating the need for the public to consult separate authorities.

Net Benefits: Given the likely positive benefits and insignificant costs, this provision is anticipated to generate positive net benefits for the public and NPS.

The Dyea Core Historic Townsite will be closed to horses permanently in regulation, pursuant to 43 CFR 36.11(h), unless specifically authorized by the superintendent, to protect irreplaceable cultural landscape features and artifacts and to allow for construction and maintenance of

Conclusion

This qualitative analysis indicates that positive net benefits will be generated the proposed regulatory action discussed above, and hence by the regulatory action overall. Given that no significant costs are anticipated for any of these components, this proposed regulatory action is not expected to have an annual economic effect of \$100 million in cost, or to adversely affect an economic sector, productivity, jobs, the environment, or other units of government.

This qualitative analysis does indicate, however, that governmental processes in NPS-administered areas in Alaska will be improved, and that market failures will be more effectively addressed. Therefore, it is anticipated that economic efficiency will be improved by this proposed regulatory action.